

# TALCB Bulletin

TALCB was created by an act of the Texas Legislature in 1991 to license, certify and regulate real estate appraisers in Texas under state and federal laws. In 2011, TALCB's jurisdiction was expanded to register and regulate appraisal management companies.



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## From the Chair...

The Board held its regular quarterly meeting on Friday February 19th with all members but one in attendance. While it was a typical meeting in many ways, it was also extraordinary in a MAJOR way – the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) was in town for its once every two years, in-depth audit of our agency's operations. And we ACED it... they found no areas of non-compliance! For the first time ever, we should receive an EXCELLENT rating!

Congratulations are owed especially to our hard working staff who enabled us to shine so brightly. While we had a tremendous audit in 2014, a single statutory change that awaited the 2015 legislative session to amend – even while our rule and practice were in full compliance – prevented us from the highest possible rating. Well, this year we had no such technicality to hold us back. Great work by all!

At the meeting, Jim Jeffries was elected as the Vice-chair and new member Earl "Buster" Renfrow was elected as the Secretary. Thanks to each of them for stepping up to serve in this manner. We then recognized outgoing Board member Mark McAnally for his extraordinary service over 12 and a half years – the longest tenure in the Board's history. We also approved nine Peer Investigative Committee members for another two-year term. We really appreciate their assistance and perspective.

The Board adopted three new innovative rules at this meeting. First, allowing attendees at certain future meetings in February of each even-numbered year to receive up to four hours of ACE credit, and also permitting ACE credit to be awarded for certain presentations by Board members or staff. Secondly, for a modest fee, allowing licensed trainees to submit appraisal reports and work files for review by PIC members as a new training tool. And third, eliminating the necessity for appraisers seeking a license in Texas to produce proof of good standing if

licensed in another jurisdiction – since the National Registry now reliably provides the needed documentation.

We also approved an agency policy allowing any lawful carry of a handgun on agency premises; but please note that under Texas law, carry is not allowed at posted Open Meetings such as ours. So if you come to a future meeting, please leave your handgun in your vehicle.

We were also informed that the AQB has published a series of discussion items regarding potentially adding some flexibility to the education and experience requirements. We agreed that these topics should be published to seek feedback during our 2016 Strategic Planning process. We encourage each of you to either attend one of the nine "listening tour" locations across the state in March and participate in the conversation, or to go to our website and submit your comments via the online survey tool (or both). More details are elsewhere in this newsletter. Both the Board and AQB count on your thoughtful inputs to ensure better informed policy recommendations.

We are awaiting decisions by the Governor on appointment of several new members to serve on the Board. Until that happens, we will carry on to ensure Texas remains the example for others. Aim high!



Chair, Jamie Wickliffe

## When Do I Have to Report an Appraiser to TALCB

### **Mandatory Reporting of an Appraiser to TALCB**

There are mandatory reporting requirements under both Texas and Federal law that apply when you discover certain activity or actions by an appraiser. Some reporting requirements apply to Appraisal Management Companies (AMCs), and some apply to individual appraisers.

#### **When do AMCs have to report?**

Appraisal Management Companies are covered by Texas Occupations Code § 1104.160, which requires reporting when an AMC "has a reasonable basis to believe" that an appraiser is:

- failing to comply with USPAP "in a manner that materially affects a value conclusion,"
- violating applicable laws, or
- otherwise engaging in unethical or unprofessional conduct

Reporting is *not* satisfied by simply sending an email or placing a call to TALCB. The law requires that an official complaint form be completed and sent to TALCB. This form is available on [our website](#).

#### **When do individual appraisers have to report?**

Appraisers are covered by a federal regulation, 12 C.F.R. § 1026.42(g)(1), which requires reporting when one:

- reasonably believes an appraiser has not complied with USPAP or ethical or professional requirements, and
- it is likely to significantly affect the value assigned to the consumer's principal dwelling.

As you can see, the federal regulation for individual reporting only applies if the appraisal report covers a consumer's principal dwelling, and only if it is likely to significantly affect the value. However, we encourage you to notify us if you discover misconduct by an appraiser even if mandatory reporting is not required.

#### **What happens when I report an appraiser?**

Reporting an appraiser will not always result in disciplinary action against the appraiser, but it will usually trigger an investigation by Board staff. On the other hand, failing to report when it is required could result in disciplinary action against the person or entity who failed to report. In fact, the law provides for this possibility. See 22 TAC 159.201(1); 22 TAC 153.20(a)(1).

Because you are the "eyes and ears" of the profession on the ground, we rely on your cooperation to make sure that *all* appraisers are engaging in competent and honest work. This benefits the profession as a whole, as it helps us determine who simply needs more guidance on current requirements, and who might need disciplinary action to ensure the public is protected. In addition, it gives credibility and effectiveness to our enforcement program, which in turn reassures the Appraisal Subcommittee (our federal oversight body) that Texas continues to meet its regulatory obligations under federal law.

By helping ensure the same professional standards are upheld by all appraisers, you will help maintain and elevate the public's high opinion of appraisers, keep competition in the profession fair for all, and support the reasonableness of your professional fees.

## TALCB Enforcement Actions

The Texas Appraiser Licensing and Certification Board publishes their enforcement actions regularly on the new TALCB website. To read the reports please go to the [TALCB website and click](#) on, public and disciplinary actions.

## Rules Actions from the February 19th Board Meeting

The Board took the following actions regarding rules and forms at its meeting on February 19, 2016. You may review the full text of all rules actions on the Rules and Laws section of the TALCB website. The revised forms are available on the Forms section of the TALCB website.

### ADOPTED RULES

The Board adopted a new rule and amendments to the following rules at its meeting on February 19, 2016. These amendments will take effect March 13, 2016.

#### 22 TAC §153.18, Appraiser Continuing Education (ACE)

The amendments to this rule add additional opportunities for appraiser license holders to obtain continuing education credits consistent with criteria established by the Appraiser Qualifications Board and statutory changes to

Chapter 1103, Texas Occupations Code, adopted by the 84th Legislature.

#### 22 TAC §153.22, Voluntary Appraiser Trainee Experience Reviews

This new rule establishes a voluntary program through which an appraiser trainee may receive feedback about their appraisal work product from the Board before submitting an application for licensure.

#### 22 TAC §153.27, License by Reciprocity

The amendments to this rule streamline the Board's process for verifying an applicant's licensure in another state and will lower the cost and simplify the application process for applicants who apply for a license under this section.

### FORMS

The Board took no action regarding forms at its meeting on February 19, 2016.

## TALCB Employee Update



**Mark Lee**

*TALCB Standards & Enforcement Services*

Mark joined TALCB in February 2016 as its new Staff Attorney, where he will assist the Director in resolving licensing and complaint issues. Mark previously worked as a Hearing Officer for the Texas Workforce Commission, and prior to that he was in private law practice with a significant amount of consumer protection cases. Law is Mark's third profession, having started out as a naval officer and also doing engineering for IBM, Lockheed, and for armed forces research facilities. Mark grew up in the northeast, but got to Texas as quickly as he could. He has resided in and around Austin since 1992. He has a bachelor's in Electrical & Computer Engineering from Drexel University, and went to Baylor Law School.

### IMPORTANT DATES TO REMEMBER

TALCB AQB Background Check Working Group—March 17

TALCB Executive Committee Meeting—March 31

TALCB Board Meeting—May 13

*Check the TALCB website regularly for postings of all of our upcoming meetings.*